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Regions B,C, and J and an Evaluation of Possible Mergers

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1. Socio-Economic Indicators

Indicator	B	C	J
Area	282 500km^2	128 399km^2	6~~4~~3 278
Population	1101 000	2 631 000	1 789 000
Population density	3,9 per km^2	20,5per km^2	28,3per km^2
Annual population growth rate (70-'89)	2,02 %	2,36%	2,43%
Functionally unbiased population	59%	64%	65%
Life expectancy	62,6 yrs	63,2 yrs	63,8 yrs
Literary rate	59%	70,2%	67,5%
Potential labour force	443 100	1169 200	798 900
Absorption capacity	75,8%	93,4%	80,8%
Nominal GGP	R3 947m	R12 939m	R12 219,
Real annual economic growth rate (70-'89)	0,1%	0,6%	1,9%
Leading sectors	Finance, Commerce	Finance, Community Services	Comm. Services Finance, Services Finance
Largest sector	Mining	Mining	Mining
Nominal GGP per capita	R3 585	R4 918	R6 830
Personal income per capita (1985)	~~R1 1984~~ R1984	R2 184	R2 166

2. Implications of emerging with J

2.1 An overview of Region C

Region C comprises the OFS (excluding the district of Sasolburg), Qwaqwa and the Thaba'Nchu district of Bophuthatswana. It borders on Region B to the west, D. to the South, E to the east and H and J to the north. It also borders the kingdom of Lesotho in the South-eastern part of the region.

Region C is the ~~South~~ fourth largest development region, and its land area accounts for 10,5% of the surface area of South Africa.

This region is noted for its natural resources such as gold, and is the third largest contributor to the agricultural product of the country.

In 1990 it ranked the ~~South~~ fourth smallest concentration of people. The population density of Region C was well below the average at 21,0 persons/km.

Housing is in short supply-nearly 25% of dwelling units in the townships were of an informal nature in 1989/90.

The provision of health services in the region is generally below the standard for South Africa.

The economically active population of Region C is over 1,0m people. The influx of new young people cannot be accommodated by the economy of the region. In 1990, the formal economy of the region could provide employment for only 54,1% of all people available to the labour market.

Region C has comparative advantages in agriculture and mining. These sectors are therefore relatively more important as employment creators in the region than in the aggregate South Africa. The two sectors generate 14,9% and 14,5% respectively of final agricultural and mining product in South Africa.

In 1985 prices the real GGP of Region C was 6,4% of the real GDP of South Africa. This was the fourth smallest contribution, ranking between that of Region J (6,1%) and Region (7,1%). Over the past two decades, Region C's share in the national economy has shown a steady decline. Between 1970 and 1990, the average annual growth rate of the regional economy was a meagre 0,6% compared with the national average of 2,4%.

The only regional economy to fare worse was that of Region B (0,1%), while ~~over~~ even the hapless Region G recorded a growth rate of 1,1% per year.

Mining remains by far the largest sector in the economy of Region C, contributing 28,2% to the GGP of the area in 1990.

Education in Region C is retarded by a lack of adequate facilities and the literacy rate remains below average.

The institutional and socio-economic structure in Region C is characterised by some degree of heterogeneity. For instance, there are three different administrative entities in the region, namely the OFS, Qwaqwa and the Thaba'Nchu district of Bophuthatswana.

There are more than 50 districts and 5 RSCs in the region. The main nodal points in Region C are the Bloemfontein area, Welkom, Kroonstad and Bethlehem.

Intra-sub-regional transactions and interdependency seem to be maximized in this region.

2.2 An Overview of Region J

Region J consists of the Western Transvaal and six of the twelve districts of Bophuthatswana.

In terms of transportation infrastructure, Region J is linked to all major centres in South Africa.

Its growth centres are Klerksdorp and the mining axis. Its relatively small population is largely functionally urbanised with a fairly high literacy rate. The economically active population of Region J is the second smallest in the country.

The formal economy can absorb 53,2% of the potential labour force and the unemployment rate was 14,7% in 1989. The level of migrant workers fell from 35% to 22% in 1989.

In the period 1970 to 1989, the economy of Region J experienced an 8,2% decrease in its relative share of the GDP, and contributed only 6,1% in 1989.

Region J has a comparative advantage only in the mining sector. Mining contributes about 60% to the region's GGP, and about 20% to the national mining sector.

Nodes ~~in~~ of industrial activity are located within the major cores of the region, eg. Mmabatho, Mogwase, Rustenburg and Klerksdorp, where the major economic activities of the regions is taking place.

2.3 Any compelling reasons for C and J to merge?

2.3.1 Economic Issues

Both ~~reforms~~ regions are economically functional, they have ~~medal~~ nodal sub-centres, with flows of goods and services and labour. The economic bases are fairly adequate although, each economy can absorb just over 5% of the potential labour force.

In each region ~~ming~~ mining is a comparative advantage. The income per capita is about the same. Real GGP is also about equal between the two regions.

There seems therefore to be no economic imperative that the two regions should be combined.

2.3.2 Infrastructure

Both regions have developed infrastructure and are each ~~limited~~ linked to at least four other regions.

Again, there is no justification for a merger.

2.3.3 Institutional and Administrative Capacity

In each region there are well developed towns/cities and Institutions which can sustain a regional government.

There is therefore no impelling reasons for an amalgamation.

2.3.4 Geographical coherence

There are bantustans in both regions and this may reduce their compactness and coherence.

An overriding consideration which militates against a merger is the historical boundary of the OFS.

In the light of the above, there is no strong justification for an amalgamation of regions C and J. The only rationale, if any might be the need to reduce the number of regions.

2.4 An overview of Region B

Region B, the largest development region, consists of the northern part of the Cape Province, and includes three districts of Bophuthatswana. It covers the area from Colesberg in the east, the Griqualand West and Gordonia, and includes the Kalahari Gemsbok National Park which borders on Namibia and Botswana. It also borders on Regions A,C,D and J. Its only minor economic core is Kimberley and the region has the smallest population and the lowest density of all regions. The region has the lowest literacy rate, as well as the shortest life expectancy of all reforms.

Its main natural resources are diamonds (Postmansburg, Barkly West and Kimberley), iron ore (Sishen), managenese and asbestos. However, the relative importance of mining decreased drastically, and the two service sectors (finance and business services as well as community and social services) and commerce were the leading economic sectors.

Region B has the lowest population density. The rate of functional urbanisation is below the South African average of 66%. Despite the relatively show pace of urbanisation, overcrowding and informal settlements are evident especially in the eastern parts of the region and in the Kudumane district of Bophuthatswana, and the health and education facilities as well as physical infrastructure are coming under increasing pressure.

The provision of health services in the region is generally below the standard for South Africa.

The literary rate is the lowest in South Africa.

There is a continuing outflow of economically active people. Nevertheless, the economy cannot accommodate even the reduced flow of new young people. In 1990, the formal economy of region B could provide employment for only 45% of all people available to the labour market. This absorption capacity is lower than the South African average, implying that employment creation is totally inadequate.

Region B has comparative advantages in agriculture, mining, energy and transport.

In 1985 the real GGD was 1,9% of the real GDP of South Africa. This was the smallest contribution, below that of Region G (3,1%) and Region J (6,1%). Over the past two decades, Region B's share in the national economy has shown a steady decline.

The relative decline in the share of Region B can be ascribed to its dismal economic performance. Between 1970 and 1990, the average annual growth rate of the regional economy was a meagre 0,1% compared with the national average of 2.4%.

The only regional economy to record anything similar was that of Region C (0,6%), while even Region G recorded a growth rate of 1,1% per year.

Mining remains by far the largest sector in the economy of Region B, contributing 21,9% to the GGP of the area in 1990.

The main modal points in Region B are the Kimberley area, Vryburg, Postmasburg, Upington in Gordonia, Prieska and De Aar.

The institutional and Socio-economic structure in Region B is characterised by some degree of heterogeneity. There are two different administrative entities, namely the Cape portion and the Taung, Kudumane and Ganyesa districts of Bophuthatswana.

The Socio-economic characteristics of these two areas are contrasted in the following table.

Indicator	Cape Portion	Bop Portion	Total
Area (km^2)	**263 690**	**18 810**	**282 500**
Population ('000)	**759,0**	**362,6**	**1121,6**
Annual growth (%) (85-90')	**1,2**	**3,4**	**1,8**
Density (persons/km^2)	**2,9**	**19,3**	**4,0**
Urban population (% of total)	**66,3**	**11,4**	**48,6**
Black pop. (% of total)	**44,7**	**100,0**	**62,6**
Econ Active pop ('000)	**287,2**	**38,9**	**362,1**
Nominal GGP (Rm)	**4201**	**292**	**4494**
Nominal GGP per Capita (R)	**5535**	**807**	**4006**
Nominal GGP/km^2 (R'000)	**15 932**	**155 49**	**15 906**

By far the largest part of the population resides in the Cape portion, and its 759000 people are spread over 263 690km^2, yielding a population density of 2,9 persons/km^2. The corresponding figures for the districts of Bophuthatswana are 362 600 people over 18 810 km^2 and a density of 19,3 persons/km^2. These people live in mainly rural areas, and only 11,4% are officially urbanised.

In 1990, 88,1% of the economically active population resided in the Cape portion of the region. Bophuthatswana portion of the region accounted for only 6,5% of final production during this period.

Given the heterogenous character of Region B, it is necessary for purposes of economic analysis to divide the region into several functional subregions and analyse each subregion as a single entity. The sub-regional demarcation is as follows.

Subregion B1	**Area**
Ganyesa	Bop
Vryburg	NC

Subregion B2	
Kudumane	Bop
Kuruman	NC
Postmasburg	NC

Subregion B3

Barkly West	NC
Hartswater	NC
Hay	NC
Herbert	NC
Kimberley	NC
Taung	Bop
Wareenton	NC

Subregion B4

Gordonia	NC
Kenhardt	NC

Subregion B5

Carnavon	NC
Prieska	NC

Subregion B6

Britstown	NC
Colesberg	NC
De Aar	NC
Hanover	NC
Hopetown	NC
Noupoort	NC
Phillipstown	NC
Richmond	NC

2.4.1 Any Compelling reasons for B and J to merge?

2.4.1.1 Economic Issues

There is not much functionality in Region B. This is demonstrated by the major differences based on socio-economic indicators between the Cape and the Bophuthatswana (Bop) portions. Perhaps subregions B3 and B6 show better economic functionality than the entire region.

2.4.1.2 Infrastructure

Transport is concentrated in subregion B3, which contributes about 56% to real transport product in the region. B6 adds about 10%.

Most of the energy generated originates in subregion B3.

Once more developments are concentrated around B3 and B6.

2.4.1.3 Geographical Coherence

The region seems to be lacking in coherence. This is again shown in the intra-regional disparities.

2.4.1.4 Institutional and Administrative Capacity

The region consists of 39 towns, with the main centre of the region being Kimberley. Decentralised ~~of~~ offices of government departments and the provincial administration are established in Kimberley. The Northern Cape Division of the Supreme Court is also situated in Kimberley. However, these don't seem to be sufficient to support a regional capital.

Region B is served by five RSCs, situated at Kimberley, De Aar, Upington, Kuruman and Vryburg, and representing 118 local bodies in the region.

Again institutional development is concentrated around B3 and B6.

In the light of the above, there would appear to be merit in sub-regions B1 and B2 merging with region J. These regions' economies would be strengthened by region J. The latter region also has institutions that can support a capital administration. Subregions B3, B4, B5 and B6 can either stand as a region or be joined with Region A.